

Report Title: **5 MONTHS RESULTS TO THE END OF AUGUST 2008**

Report of: **Helen Downie, Head of Finance, Alexandra Palace & Park**

**1. Purpose**

1.1 To advise the Board of the 5 months result to the end of August 2008.

**2. Recommendations**

2.1 The Board are asked to note the income and expenditure for 5 months to end of August 2008 which are summarised at Appendix I.

2.2 The board note the overall position at the 5 months is a saving of £123k against the budget position. This trend is not expected to continue to year end but it is not expected to exceed the existing budget at year end.

Report Authorised by: **Helen Downie, Head of Finance**.....*H. Downie*.....

Contact Officer: Helen Downie, Head of Finance, Alexandra Palace & Park, Alexandra Palace Way, Wood Green, London N22 7AY. Telephone number 0208 365 4310.

**3. Executive Summary**

3.1 The 5 months result is tabulated against budget at Appendix I.

3.2 The charity is currently under budget and expects to end the year at a budget deficit of £1.68 million.

**4. Reasons for any change in policy or for new policy development (if applicable)**

4.1 N/A

**5. Local Government (Access to Information) Act 1985**

5.1 No specific background papers were used in compiling this report.

## 6. Description

- 6.1 The Board has agreed to set its net budget estimate for 2008/09 at £1.68m. This estimate includes a net operating loss of £2.68m and a gift aid payment from APTL of £1m.
- 6.2 The tabulation at Appendix 1 summarises the financial information for the 5 months up to the end of August 2008. Overall, income is £14k above budget and expenditure is £109k below budget, giving a net favourable variance (saving) of £123k. Explanations for the key variances are given below.
- 6.3 It is anticipated that expenditure on repairs and maintenance to the building will be more heavily weighted towards the latter part of the year. The budget is phased to reflect this and the overall position is monitored on a monthly basis.
- The charity has several projects underway relating to governance and reform which will incur costs. The quantum of these costs has not yet been identified, however it is intended to contain this expenditure within the overall agreed budget of £1.68M
- 6.4 APTL management accounts have been prepared for the five months ended August 2008 and the indications are that the gift aid payment of £1m remains achievable. The control of charity expenditure will remain on a prudent basis to ensure that the charity revenue deficit does not exceed that budgeted for.
- 6.5 On the basis of the above it is predicted that the charity will remain within the existing budget of £1.68M deficit for the year..
- 6.6 Capital expenditure has been limited to date. The expenditure on fixed assets for the year to August was £25k, largely in the category of fixtures and fittings, which will be depreciated over four years.
- 6.7 If the performance of the trading company remains on target and the charity successfully controls it's other costs then it may be possible nearer the year end to make some targeted capital purchases to assist the trading company but this will be dependent on overall group performance.
- 6.8 Income is £14k above budget, mainly due to higher than anticipated service charges for utilities costs, which are invoiced annually in arrears. This reflects the sharp increase in fuel costs over the past twelve months.
- 6.9 Prime costs are £4k or 1% above budget.
- 6.10 Fixed overheads are £10k below budget due to a positive variance on insurance against budget.
- 6.11 Variable overheads are £93k under budget due largely to underspends on building repairs (£68k) and depreciation (£25k). Professional fees are £10k over budget which is offset by a £10k positive variance on Development costs.

6.12 The overall position at the 5 Months is a saving of £123k against the budget position. This trend is not expected to continue to year end but it is not expected to exceed the existing budget at year end.

## **7. Consultation**

7.1 N/A.

## **8. Summary and Conclusions**

8.1 The 5 months result is tabulated against budget at Appendix I.

## **9. Recommendations**

9.1 The Board are asked to note the income and expenditure for 5 months to the end of August 2008 contained in the report and summarised at Appendix I and the explanations for key variances given.

9.2 The board note the overall position at the 5 months is a saving of £123k against the budget position. This trend is not expected to continue to year end but it is not expected to exceed the existing budget at year end.

## **10. Legal and Financial Comments**

10.1 The Trust's Solicitor has been sent a copy of this report.

The LBH CFO has been sent a copy of this report and his comments are attached as appendix 2.

## **11. Equalities Implications**

11.1 There are no perceived equalities implications in this report.

## **12. Use of Appendices / Tables / Photographs**

12.1 Appendix I – Summary of the budget versus actual for 5 months to August 2008.

## ALEXANDRA PALACE AND PARK CHARITABLE TRUST

## ACTUAL VERSUS BUDGET FOR THE FIVE MONTHS TO AUGUST 2008

	Actual YTD	Budget YTD	Variance	Variance %	Annual Budget
Concessions/Leases	58,690	52,531	6,159	12%	251,775
Community Events	6,516	12,083	-5,567	-46%	53,000
Sundry Sales	200	1,667	-1,467	-88%	4,000
Service Charges	18,581	3,333	15,248	457%	8,000
<b>TOTAL INCOME</b>	<b>83,987</b>	<b>69,614</b>	<b>14,373</b>	<b>21%</b>	<b>316,775</b>
<b>EXPENDITURE</b>					
Salaries	110,840	108,909	-1,931	-2%	261,381
Contracted Services	459,465	457,500	-1,965	0%	1,048,000
<b>TOTAL PRIME COSTS</b>	<b>570,305</b>	<b>566,409</b>	<b>-3,896</b>	<b>-1%</b>	<b>1,309,381</b>
Fixed overheads	155,657	165,417	9,760	6%	397,000
Variable overheads	260,482	353,564	93,082	26%	1,082,220
<b>TRUST BEFORE DEVELOPMENT COSTS</b>	<b>-902,457</b>	<b>-1,015,776</b>	<b>113,319</b>	<b>11%</b>	<b>-2,471,826</b>
Development costs	77,645	87,500	9,855	11%	210,000
<b>TOTAL TRUST OPERATION</b>	<b>-980,102</b>	<b>-1,103,276</b>	<b>123,174</b>	<b>11%</b>	<b>-2,681,826</b>
Deed of Covenant/Gift aid payment					1,000,000
<b>NET DEFICIT</b>					<b>-1,681,826</b>

**Comments of the London Borough of Haringey Chief Financial Officer:**

**Gerald Almeroth LBH CFO has been supplied a copy of this report and provided the following comment:**

**“I note the current surplus position and that the projected position that the Trust will remain with the budget.”**